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SECURITY INFORMATION

9 January 1952

MEMORANDUM FOR: Deputy Director (Administration)

FROM: Deputy Director (Plans)

SUBJECT: Administrative Support for Covert Operations.

REFERENCE: Draft Memorandum of DCI Setting out General Principles Governing Administrative Support

[REDACTED]

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1. Confirming our several conversations of recent date with respect to the various issues which are involved in the subject above mentioned, and in response to your oral inquiry to me of 2 January, I should like to say that I agree with you that the general principles set out in the Director's draft memorandum are sound and workable, and that under these principles you and I, with the assistance of Mr. Dulles where needed, should be able to resolve any questions which may arise in this connection to our mutual satisfaction. In our most recent conversation you gave me the benefit of your views and interpretation of certain passages in the Director's memorandum, all of which were quite acceptable to me. Furthermore I understand and accept your reasons for wishing to leave the Director's memorandum unchanged at this time from its present concise form and to avoid a further spelling-out in that memorandum of certain points which are not specifically covered -- for example, the question of procurement of supplies and materiel.

2. It has occurred to me that it would be very useful for both of us to have an informal record of our understandings concerning procedures under the Director's memorandum, and accordingly I am submitting this memorandum to you as a summary of my own views and what I understand to be yours. This memorandum is entirely informal and is not intended to be a modification of the Director's memorandum, but if you agree it could serve as a guide to ourselves (and, to the extent you may deem desirable, our own immediate staffs).

3. You will recall that one of my questions to you had to do with the identity of the "allocating authority" referred to in the last line of the second sub-paragraph under Paragraph 3. You explained to me that this allocating authority was yourself and your

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own office, but that this was a technical and not a policy function. More specifically, you stated that policy determinations as to the allocation of resources would be made by the Project Review Committee (on which we both sit, together with Mr. Dulles), and when approved by the Director would be carried into effect by your office to the full extent of our capabilities.

4. I understood you to say, with respect to the paragraph numbered "1", that this meant that your office would not have its own administrative structure extending down into or alongside of the operational structure in such a way as to parallel and duplicate the administrative elements of the operations organization in Washington and overseas. That seems to me to be the clear meaning of this paragraph, but I should like to be certain we agree on this point. I further understand in this connection that the operations organization will not establish offices which parallel and duplicate the offices of central administration.

5. With regard to the provision of the Director's memorandum relating to the furnishing by you to me of an acceptable and qualified administrative assistant, I understand that you have designated Mr. [REDACTED] for this purpose. [REDACTED] is, of course, completely acceptable to me in this connection, and it is my understanding and belief that he will be in a position to function effectively and to the satisfaction of both of us so long as he holds the authorities and responsibilities which we both propose to delegate to him.

6. With regard to the rather complex subject of procurement of materiel and supplies, I agree with you that it is not possible to spell out in complete detail the method by which procurement of materiel and supplies will be handled in every conceivable case. However, it is my impression that you expressed agreement that there were a number of general principles which we might agree upon and within the general framework of which we should be able to work out any questions which might arise. These general principles are as follows:

a. The procurement machinery of your office will be used for the procurement of materiel and supplies within the United States to the largest extent compatible with the efficiency of the total procurement effort and the security of operations. This would mean that the major bulk of U. S. procurement will be

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accomplished through your office, but that there may be certain cases when procurement is accomplished within the United States by the operating branches. In any such cases you would be consulted in advance and you would be kept fully informed as to the particulars.

b. Any such procurement of materiel and supplies as can best (most expeditiously and economically) be procured abroad rather than in the U. S. will be procured, as at present, by the operations offices. The determination as to whether any items of significant procurement can be effected best within the U. S. or abroad will be arrived at by consultation and agreement between the operating offices and central administration. If an important foreign procurement matter can be assisted or better accomplished with the help of a representative of your office, such representative will be made available by you for the purpose to the appropriate area division of the operating branches.

7. I should appreciate your informing me whether, in your opinion, this memorandum can serve as between ourselves as an informal record of both our views.

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W.R.W.